

### Foreign Assistance for Integrated Development of Hampi, Karnataka

1168. SHRI K.C. KONDAIAH : Will the Minister of FINANCE be pleased to state :

(a) whether the proposal to obtain foreign assistance of Rs. 3,962.31 million for the Integrated Development of Hampi, is under consideration of the Government; and

(b) if so, the steps taken by the Government in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) No, Sir.

(b) Does not arise.

### Privatisations of Insurance Business

1169. DR. Y.S. RAJA SEKHARA REDDY : Will the Minister of FINANCE be pleased to state :

(a) whether the Government have taken a final decision to privatise insurance business;

(b) if so, the details thereof;

(c) whether Insurance Regulations Authority has been set up to evolve a scheme and lay down modalities and guidelines in this regard; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) and (b) The policy of the present Government towards insurance sector has been laid down in the Common Minimum Programme (CMP) which says that :

"We have gained considerable experience in the working of the banking sector. The said experience will be applied to the restructuring of the insurance industry but at the same time public sector companies like LIC, GIC etc. will be strengthened."

(c) and (d) By a Resolution dated 23.1.1996, the Government had set up an Insurance Regulatory Authority to, *Inter alia*, deal with all matters relating to promotion and orderly growth of insurance market; and to propose a comprehensive legislation for this purpose, bearing in mind the possibility of privatisation of insurance industry, wholly or partially and make appropriate recommendations regarding the role and powers which will need to be exercised by the IRA in such a scenario.

### Conference of Regional Heads of GIC

1170. SHRI SOUMYA RANJAN : Will the Minister of FINANCE be pleased to state :

(a) whether the General Insurance Corporation

(GIC) has recently held any Conference of Regional Heads of its four subsidiary companies at Bangalore;

(b) if so, the details thereof;

(c) whether any decision has been taken regarding the functioning of GIC and its subsidiary companies; and

(d) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M.P. VEERENDRA KUMAR) : (a) to (d) A Conference of Regional Heads of subsidiaries of GIC was held from January 30 to February 2, 1997 at Bangalore to consider certain internal operational issues given in the enclosed statement, aimed at strengthening the existing set up of the general insurance industry. The reports and recommendations made in the Conference was discussed at length with the managements of the GIC and its four subsidiaries who took note of them for appropriate follow up action.

### Statement

#### *Internal Operational Issues discussed at the Conference :*

- (1) Review of organisational structure to make it more effective;
- (2) Review of system of intermediaries Development Officers, Agents and Brokers.
- (3) Marketing Strategy - Retail and Corporate Clients;
- (4) Management of Motor Claims - own damage and Third Party;
- (5) Computerisation in the industry; and
- (6) Effective utilisation of manpower with reference to speedier decision-making.

### Open Market Service Extension Centre

1171. SHRI SARAT PATTANAYAK : Will the Minister of TEXTILES be pleased to state :

(a) whether the Government are considering to open market service extension centre for handicrafts at Balangir in Orissa;

(b) if so, the details thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF TEXTILES (SHRI R.L. JALAPPA) : (a) to (c) No, Sir. At present there are 47 Marketing and Service Extension Centres functioning in various parts of the country including two centres in Orissa at Bhubaneshwar and Sambalpur. The craftsmen of Balangir district are getting marketing support and extension facilities from the centre located at Sambalpur.